

1 SUTHERLAND ASBILL & BRENNAN LLP
2 JOHN L. NORTH (Admitted Pro Hac Vice)
3 JEFFREY J. TONEY (Admitted Pro Hac Vice)
4 WILLIAM F. LONG (Admitted Pro Hac Vice)
5 JACKIE L. TONEY (Admitted Pro Hac Vice)
6 LESLIE K. SLAVICH (Admitted Pro Hac Vice)
7 999 Peachtree Street, NE
8 Atlanta, Georgia 30309-3996
9 Telephone: (404) 853-8000
10 Facsimile: (404) 853-8806
11 Email: John.North@sablaw.com
12 Jeffrey.Toney@sablaw.com
13 Bill.Long@sablaw.com
14 Jackie.Toney@sablaw.com
15 Leslie.Thomasson@sablaw.com

16
17 GOODWIN PROCTER LLP
18 FORREST A. HAINLINE III (Bar No. 64166)
19 SUSANNE N. GERAGHTY (Bar No. 218098)
20 Three Embarcadero Center, 24th Floor
21 San Francisco, CA 94111
22 Telephone: (415) 733-6000
23 Facsimile: (415) 677-9041
24 Email: fainline@goodwinprocter.com
25 sgeraghty@goodwinprocter.com

26
27 Attorneys for Defendants
28 IVAX, CORPORATION and
IVAX PHARMACEUTICALS, INC.

PUBLIC VERSION

19 DEPOMED, INC., a California corporation,
20 Plaintiff,

21 v.
22 IVAX CORPORATION, a Florida corporation, and
23 IVAX PHARMACEUTICALS, INC., a Florida
corporation,

24 Defendants.

25
26 NO. C 06-00100 CRB

27
28 DEFENDANTS' ALTERNATIVE
MOTION TO REOPEN DISCOVERY
AND POSTPONE THE TRIAL, OR
PRECLUDE EVIDENCE OF
DAMAGES BEFORE DECEMBER 15,
2005

Judge: Hon. Charles R. Breyer
Date: February 29, 2008
Time: 10:00 a.m.
Place: Courtroom 8, 19th Floor

TABLE OF CONTENTS

2	Table of Authorities.....	ii
3	I. BACKGROUND AND SUMMARY	1
4	II. THE COURT SHOULD STRIKE DEPOMED'S NEW DISCLOSURES AND EXCLUDE ALL EVIDENCE OF DAMAGES BEFORE DECEMBER 15, 2005.....	4
5	A. The Patent Marking Statute.....	4
6	B. Depomed's Licensee Did Not Mark the Product Covered By Depomed's Patents.	6
7	C. Depomed's Documents Show Without Fair Dispute That Depomed First Gave Ivax Notice of Infringement on December 15, 2005	6
8	III. DEPOMED'S POST CLOSE-OF-DISCOVERY AMENDMENTS TO ITS SWORN TESTIMONY AND IDENTIFICATION OF NEW WITNESSES UNFAIRLY PREJUDICES IVAX	8
9	A. Unless the Court Excludes Evidence of Damages Before December 15, 2005, Ivax Should Be Permitted to Take Additional Discovery.....	10
10	B. The Current Trial Date Should Be Vacated If the Court Were Inclined, At This Time, to Permit Depomed to Introduce Evidence of Pre-December 15, 2005 Damages.	12
11	IV. CONCLUSION	14

1 **TABLE OF AUTHORITIES**2 **FEDERAL CASES**

3	<i>Amsted Industrial v. Buckeye Steel Casings Co.</i> , 24 F.3d 178 (Fed. Cir. 1994)	5, 6, 7
4	<i>Gart v. Logitech, Inc.</i> , 254 F.3d 1334 (Fed. Cir. 2001)	4
5	<i>Life Point System, Inc. v. Cargill, Inc.</i> , 1997 U.S. Dist. LEXIS 22845 (N.D. Cal. Feb. 5, 1997)	6
6	<i>Lucent Technologies Inc. v. Gateway, Inc.</i> , 470 F. Supp. 2d 1180 (S.D. Cal. 2007)	5
7	<i>Mesirow v. Pepperidge Farm, Inc.</i> , 703 F.2d 339 (9th Cir. 1983)	2, 10
8	<i>NFL Properties, Inc. v. Prostyle, Inc.</i> , 16 F. Supp. 2d 1012 (E.D. Wis. 1998)	2
9	<i>Radobenko v. Automated Equipment Corp.</i> , 520 F.2d 540 (9th Cir. 1975)	10
10	<i>Rozier v. Ford Motor Co.</i> , 573 F.2d 1332 (5th Cir. 1978)	8
11	<i>SRI International, Inc. v. Advanced Technology Laboratories, Inc.</i> , 127 F.3d 1462 (Fed. Cir. 1997)	5
12	<i>Sentry Prot. Products v. Eagle Manufacturing Co.</i> , 400 F.3d 910 (Fed. Cir. 2005)	4
13	<i>The Blandon</i> , 39 F.2d 933 (S.D.N.Y. 1929)	8
14	<i>Thibeault v. Square D Co.</i> , 960 F.2d 239 (1st Cir. 1992)	2
15	<i>United States v. Philip Morris Inc.</i> , 312 F. Supp. 2d 27 (D.D.C. 2004), vacated on other grounds	8
16	<i>United States v. Procter & Gamble Co.</i> , 356 U.S. 677 (1958)	8
17	<i>Wingnut Films, Ltd. v. Katja Motion Pictures Corp.</i> , 2007 WL 2758571 (C.D. Cal. Sept. 18, 2007)	8

20 **FEDERAL STATUTES**

21	35 U.S.C. § 287	1
22	35 U.S.C. § 287(a)	1, 4, 5
23	28 U.S.C. § 2201	5
24	Fed. R. Civ. P. 26(g)	11
25	Fed. R. Civ. P. 37(c)(1)	8

1 This memorandum supports Ivax's motion alternatively to (a) preclude Depomed from
2 introducing evidence of damages before December 15, 2005 and strike Depomed's amended
3 discovery responses, or (b) reopen discovery and necessarily postpone the trial.¹

4 **I. BACKGROUND AND SUMMARY**

7
8
9

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

REDACTED

¹ "Ivax" refers collectively to defendants Ivax Corporation and ivax Pharmaceuticals, Inc. "Depomed" is plaintiff Depomed, Inc.

² The factual statements in this memorandum are supported by the Declaration of Forrest A. Hainline III, filed herewith. The "Tab" references are to exhibits to the Hainline Declaration.

REDACTED

REDACTED

1
2
3
4
5
6 **REDACTED**
7
8
9
10
11
12
13
14

A. **The Patent Marking Statute**

The Marking Statute, 35 U.S.C. § 287(a), requires patentees to give proper notice of any patents covering their product(s). This is to ensure that a possible infringer knows of the patent and that its conduct is or would be considered infringement of the patent by the patentee. *See Gart v. Logitech, Inc.*, 254 F.3d 1334, 1345 (Fed. Cir. 2001). The Marking Statute states:

Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them or importing any patented article into the United States, may give notice to the public that the same is patented, either by fixing thereon the word "patent" or the abbreviation "pat.", together with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.

1 35 U.S.C. § 287(a) (emphasis added). Thus, the statute provides a patentee with only two ways to
 2 provide proper notice. First, a patentee that sells a product covered by its patent (or has a product
 3 sold by a licensee under its patent) can mark that product or its packaging with the patent number.
 4 This constitutes constructive notice which satisfies § 287(a). Alternatively, the patentee can
 5 comply with § 287(a) by giving actual notice of patent infringement to the alleged infringer.

6 A patentee's failure to properly mark the patented product precludes the recovery of
 7 damages arising from any infringement prior to the time when the patentee gives actual notice of
 8 infringement to the accused infringer. *See 35 U.S.C. § 287(a); Amsted Indus. v. Buckeye Steel*
 9 *Casings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994). "For purposes of section 287(a), notice must be
 10 of 'the infringement,' not merely notice of the patent's existence or ownership. Actual notice
 11 requires the affirmative communication of a specific charge of infringement by a specific accused
 12 product or device." *Id.* "It is irrelevant . . . whether the defendant knew of the patent or knew of
 13 his own infringement. The correct approach to determining notice under section 287 must focus
 14 on the action of the patentee, not the knowledge or understanding of the infringer." *Id.*

15 Although actual notice may be achieved without creating a case of actual controversy
 16 under 28 U.S.C. § 2201, *SRI Int'l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1470 (Fed.
 17 Cir. 1997), when letters are calculated "not to be threats sufficient to justify a declaratory
 18 judgment action, they also are not charges of infringement for 'notice' purposes." *Amsted Indus.*,
 19 24 F.3d at 187.

20 Whether, as a matter of law, oral notice can satisfy the Marking Statute has not been
 21 decided by the Federal Circuit. The Southern District of California recently commented that it is
 22 an open question. *See Lucent Techs. Inc. v. Gateway, Inc.*, 470 F. Supp. 2d 1180, 1185 n.3 (S.D.
 23 Cal. 2007) ("As for whether as a matter of law oral notice is sufficient to satisfy 35 U.S.C. §
 24 287(a), remains an unanswered question.").

25

26 :

27

REDACTED

28

REDACTED

Dated: February 25, 2008

Respectfully submitted,

SUTHERLAND ASBILL & BRENNAN LLP
JOHN L. NORTH (Admitted Pro Hac Vice)
JEFFREY J. TONEY (Admitted Pro Hac Vice)
WILLIAM F. LONG (Admitted Pro Hac Vice)
JACKIE L. TONEY (Admitted Pro Hac Vice)
LESLIE K. SLAVICH (Admitted Pro Hac
Vice)
999 Peachtree Street, NE
Atlanta, Georgia 30309-3996
Telephone: (404) 853-8000
Facsimile: (404) 853-8806
Email: John.North@sablaw.com
Jeffrey.Toney@sablaw.com
Bill.Long@sablaw.com
Jackie.Toney@sablaw.com
Leslie.Thomasson@sablaw.com

GOODWIN PROCTER LLP
FORREST A. HAINLINE III (Bar No. 64166)
SUSANNE N. GERAGHTY (Bar No. 218098)
Three Embarcadero Center, 24th Floor
San Francisco, CA 94111
Telephone: (415) 733-6000
Facsimile: (415) 677-9041
Email: fhainline@goodwinprocter.com

Attorneys for Defendants
IVAX, CORPORATION and
IVAX PHARMACEUTICALS, INC.

By: /s/ Forrest A. Hainline

Defendants' Alternative Mot. to Reopen Discovery and Postpone Trial, or Preclude Evid. Of Damages
Case No. 06-0100 (CRB)